



FAIR POLITICAL PRACTICES COMMISSION

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Date: September 20, 2002

To: Chairman Getman and Commissioners Downey, Knox, and Swanson

From: Bob Tribe, Acting Executive Director

EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative and division activity since the report sent to you prior to the September Commission meeting.

A. PERSONNEL/BUDGET

Since our last meeting, the Department of Finance amended their deadline for the 20% cut for FY 2003/04 to September 20. They also requested a 5% cut for the current fiscal year due on the same date. We provided that information to Finance. As you know, we were also asked to prioritize programs for cuts. We also provided that listing, which lists in priority order programs to be cut, based on the policy discussion at last month's Commission meeting and subsequent input from the Executive staff. All programs on the listing will be cut to some degree. The priority listing is as follows: (1) Seminars; (2) SEI Outreach; (3) Public Education Unit; (4) Administrative Support; (5) Litigation; (6) Informal Advice; (7) Regulations, and (8) Lower-priority Enforcement Investigations.

We did receive some favorable news from the Department of Finance prior to the deadline date. They are recommending that the 20% and 5% reductions be taken from our non-statutory appropriation rather than from our total appropriation. That recommendation is consistent with the position that the FPPC has been urging for some time now. This greatly reduces each of the cuts. At this time we do not know if this recommendation will hold up as the various agency cuts make their way through the budget process. If the recommendation does not change, we can take the current year reduction without laying off any permanent staff until FY 2003/04.

We will have to immediately modify our operations to meet these cuts. This will result in eliminating non-enforcement travel, seminars, SEI outreach visits, informal advice and the dial-

Executive Director's Report – Page 2
September 20, 2002

eliminating non-enforcement travel, seminars, SEI outreach visits, informal advice and the dial-in broadcast service for Commission meetings. Many other services also will be affected. Some positions will have to be eliminated in order to reach the 20% reduction that will begin July 1, 2003. We also expect to lose seven vacant positions during the current fiscal year, most of these in our Enforcement Division because we are precluded from filling them by the hiring freeze. We are making every effort to reduce overhead rather than people. We plan to reduce our office space, travel and many other operating expenses throughout this year, in anticipation of next year's budget cuts.

B. CONFLICT OF INTEREST CODES/AMENDMENTS

Since last month's report, Executive Director Mark Krausse approved the following conflict of interest codes:

Association of Bay Area Governments
Conservation & Liquidation Office, CA Department of Insurance

As Acting Executive Director, I denied the appeal by the Mammoth Bar Rider's Association from the decision of the California Department of Parks and Recreation not to accept amendments to its conflict of interest code proposed by the Association.

C. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, Executive Director Mark Krausse found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

Julie Dad, FPPC No. 01/474. On September 3, 2002, probable cause was found to believe that respondent, as a Santa Monica Planning Commissioner, failed to file an annual statement of economic interests in violation of Government Code section 87203 (1 count).

Colin Flaherty, FPPC No. 99/783. On September 4, 2002, probable cause was found to believe that respondent, an Encinitas public relations consultant, made campaign contributions in the name of other persons, in violation of Government Code sections 84301 and 84300, subdivision (c) (36

Executive Director's Report – Page 3
September 20, 2002

counts), and failed to file semi-annual major donor statements, in violation of Government Code section 84200, subdivision (a) (2 counts).

Terry Caldwell, FPPC No. 02/469. On September 4, 2002, probable cause was found to believe that respondent, as a Victorville City Councilman, made and participated in making governmental decisions in which he had a financial interest, in violation of Government Code section 87100 (5 counts).

James Busby, FPPC No. 02/470. On September 4, 2002, probable cause was found to believe that respondent, as the Mayor of Victorville, made and participated in making governmental decisions in which he had a financial interest, in violation of Government Code section 87100 (2 counts).

Michael Rothschild, FPPC No. 02/471. On September 4, 2002, probable cause was found to believe that respondent, as a Victorville City Councilman, made and participated in making governmental decisions in which he had a financial interest, in violation of Government Code section 87100 (3 counts).

James Cox, FPPC No. 02/472. On September 4, 2002, probable cause was found to believe that respondent, as the Victorville City Manager, participated in making governmental decisions in which he had a financial interest, in violation of Government Code section 87100 (2 counts).